

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1401 Municipal Contraction Procedures
SPONSOR(S): Local Administration & Veterans Affairs Subcommittee, Persons-Mulicka
TIED BILLS: **IDEN./SIM. BILLS:** SB 1876

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Administration & Veterans Affairs Subcommittee	16 Y, 0 N, As CS	Mwakyanjala	Miller
2) Public Integrity & Elections Committee			
3) State Affairs Committee			

SUMMARY ANALYSIS

Municipalities may redraw their boundaries through the contraction process, sometimes referred to as deannexation. The municipal governing body or the residents of an area may propose contraction, which may be subject to a referendum in certain cases. An area may only be proposed for contraction if it would not meet the criteria for annexation under current law.

If a municipality seeks to annex an area where at least 70 percent of the land is owned by owners who are not registered to vote, or there are no resident voters, the annexation statutes provide a process to confirm landowner approval of the proposed annexation. Currently, there is no equivalent process to deannex similar property.

The bill adds two subsections to the current statute on contraction. The first addition provides that before contraction may proceed, the approval of owners of 50 percent of the total area of the land in the area is needed if 70 percent of the land to be contracted is owned by individuals, corporations, or legal entities that are not registered electors of the area. The second change provides that if the area proposed for contraction does not have any registered electors residing in the area on the date the ordinance proposed for the contraction of municipal boundaries is adopted, a vote of the electors of the area is not required but the owners of at least 50 percent of the total land in the area and the owners of 50 percent of the parcels in the area must consent to the contraction.

The bill does not appear to have an impact on state or local revenues or expenses.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Municipal Contraction (Deannexation)

Municipalities may redraw their boundaries through the contraction process, also referred to as deannexation.¹ An area may be considered for exclusion upon the passage of an ordinance by the municipality proposing exclusion² or by the filing of a petition by 15 percent of the qualified voters of the area requesting exclusion. For a contraction proposal initiated by petition, the governing body must conduct a study on the feasibility of the proposal and, within six months, decide to initiate contraction procedures or reject the petition and state the factual basis for such rejection.³

Once the contraction proposal is initiated, the governing body must publish notice of the proposed contraction ordinance at least once a week for two consecutive weeks in a newspaper of general circulation in the municipality.⁴ This notice must:

- Include a description of the area to be excluded;
- Show the area fails to meet the general criteria for annexation;
- Set the time and place for the municipal governing body meeting at which the proposed ordinance will be considered; and
- Advise that all affected persons may be heard.

Voter approval of the contraction is required if the municipal governing body calls for a referendum election on the question in the area proposed for exclusion or residents of that area submit a petition at the public meeting signed by at least 15 percent of the area's qualified voters. The date for the referendum is determined by the method used to call for the referendum.⁵ The municipal governing body is required to publish notice of the referendum election at least once a week for two consecutive weeks in a newspaper of general circulation in the municipality or in the area proposed to be excluded.⁶ If a majority of electors voting in the referendum opposes deannexation, the municipality is prohibited from proposing the exclusion of the area in a contraction ordinance for a period of at least two years.⁷

An area removed from a municipality must fail to meet the criteria for annexation.⁸ Under these criteria, an area to be annexed must be contiguous to the annexing municipality, must be reasonably compact, and must not be located within the boundaries of another municipality.⁹ For annexation, an area must also meet one of the following criteria:

- The area is developed for urban purposes;¹⁰

¹ S. 171.051, F.S.

² S. 171.051(1), F.S.

³ S. 171.051(2), F.S.

⁴ S. 171.051(3), F.S.

⁵ S. 171.051(6), F.S. If a referendum is required due to the filing of a petition signed by at least 15 percent of the area's qualified voters, the referendum must occur at the next regularly scheduled election. If the referendum is called at the discretion of the municipal governing body, a special election is called no sooner than 30 days after the verification of the petition or the passage of the resolution or ordinance calling for a referendum.

⁶ S. 171.051(7), F.S.

⁷ S. 171.051(10), F.S.

⁸ S. 171.052(1), F.S.

⁹ S. 171.043(1), F.S.

¹⁰ S. 171.043(2), F.S. An area is considered "developed for urban purposes" if it has a population density of 2 persons per acre, a population density of 1 person per acre and at least 60 percent of the total lots and tracts in the area are less than or equal to 1 acre in size, or 60 percent of the total lots and tracts in the area would otherwise be considered used for urban purposes and at least 60 percent

- The area links the municipality with areas developed for urban purposes;¹¹ or
- At least 60 percent of the boundary of the area is adjacent to the municipal boundary and lands developed for urban purposes.¹²

As with municipal contraction, annexation requires the governing body of the municipality to advertise and conduct public meetings on a proposed ordinance, which then must be approved by the registered electors within the area proposed for annexation.¹³ If more than 70 percent of the land in the area proposed for annexation is owned by individuals or entities that are not registered electors of the area, annexation requires the consent of the owners of more than 50 percent of the land in the area.¹⁴ If the area proposed for annexation has no registered voters on the date the annexation ordinance is finally adopted, a referendum is not required. However, in addition to requiring the consent of the owners of more than 50 percent of the land in the area, annexation of an area without registered electors also requires the consent of owners of more than 50 percent of the parcels of land in the area.¹⁵ Current law provides no similar process for municipal contraction.¹⁶

The results of the contraction must not separate any portion of the municipality from the rest of the municipality.¹⁷ The contracting ordinance must provide for apportionment of any prior existing debt and property.¹⁸ The county and the municipal governing body must reach an agreement determining which debt or property will be transferred to the county, the fair value of the debt or property, and the manner of transfer and financing.¹⁹ An area that has been deannexed is no longer subject to municipal laws, ordinances, or regulations and becomes subject to any laws, ordinances, or regulations of the county as of the effective date of the deannexation.²⁰

Effect of the Bill

The bill adds subsections to the statutory municipal contract procedures to mirror the requirements in the annexation procedures for landowner approval where at least 70 percent of the land is held by owners who are not registered electors of the area or where the area has no registered electors.²¹

New subsection (11) provides that before contraction may proceed, the approval of owners of more than 50 percent of the total area of land in the area is needed if 70 percent of the land to be deannexed is owned by individuals, corporations, or legal entities that are not registered electors of the area. The parties proposing the contraction must obtain the consent of the owners before the referendum to be held on the contraction occurs.

New subsection (12) provides that if the area proposed for deannexation does not have any registered electors residing in the area on the date the ordinance proposing the contraction of municipal boundaries is adopted, a vote of the electors of the area is not required. The area may only be contracted with the consent of the owners of more than 50 percent of the land together with the owners of more than 50 percent of the parcels of land in the area. If no referendum is held on the topic of municipal contraction, the required consent of the property owners shall be obtained by the parties proposing the contraction before the final adoption of the ordinance. The bill provides that the ordinance shall become effective upon its adoption or as otherwise provided.

of the total acreage of the area, excluding areas used for nonresidential urban purposes, is lots and tracts less than or equal to 5 acres in size.

¹¹ S. 171.043(3)(a), F.S.

¹² S. 171.043(3)(b), F.S.

¹³ S. 171.0413, F.S.

¹⁴ S. 171.0413(5), F.S.

¹⁵ S. 171.0413(6), F.S.

¹⁶ S. 171.051, F.S.

¹⁷ S. 171.052(1), F.S.

¹⁸ S. 171.052(2), F.S.

¹⁹ S. 171.061(2), F.S.

²⁰ S. 171.062(3), F.S.

²¹ See ss. 171.0413(5) and (6), F.S.

B. SECTION DIRECTORY:

Section 1: Adds subsections (11) and (12) to s. 171.051, F.S., adding requirements for landowner approval in particular situations before municipal contraction may proceed.

Section 2: Provides the bill shall take effect July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill neither requires nor provides authority for administrative agency rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 2, 2022, the Local Administration & Veterans Affairs Subcommittee adopted an amendment to the bill and reported the bill favorably as a committee substitute. The amendment mirrors the language in s. 171.0413(5), F.S., the landowner voting requirements for certain municipal annexations.

This analysis is drafted to the committee substitute adopted by the Local Administration and Veterans Affairs Subcommittee.